

SECTION 10 – FINANCIAL ASSURANCE

This financial assurance section for Hackberry Carbon Sequestration Well No. 001 was prepared to meet the requirements SWO 29-N-6 **§607.C.2.m** and **§609.C.1** [40 CFR **§146.82(a)(14)** and **§146.85(a)**]. This section outlines the instruments and associated costs for the well.

TABLE OF CONTENTS

Financial Assurance	1
Corrective Action Plan	2
Injection Well Plug & Abandonment.....	2
Post-Injection Site Care & Site Closure.....	2
Post-Injection Monitoring	2
Site Closure.....	2
Emergency & Remedial Plan.....	2
Scenario 1: Injected Fluid Release into Outside Zone	3
Scenario 2: Injected Fluid Release into USDW	3
Scenario 3: Injected Fluid Release into Surface.....	3

Figures

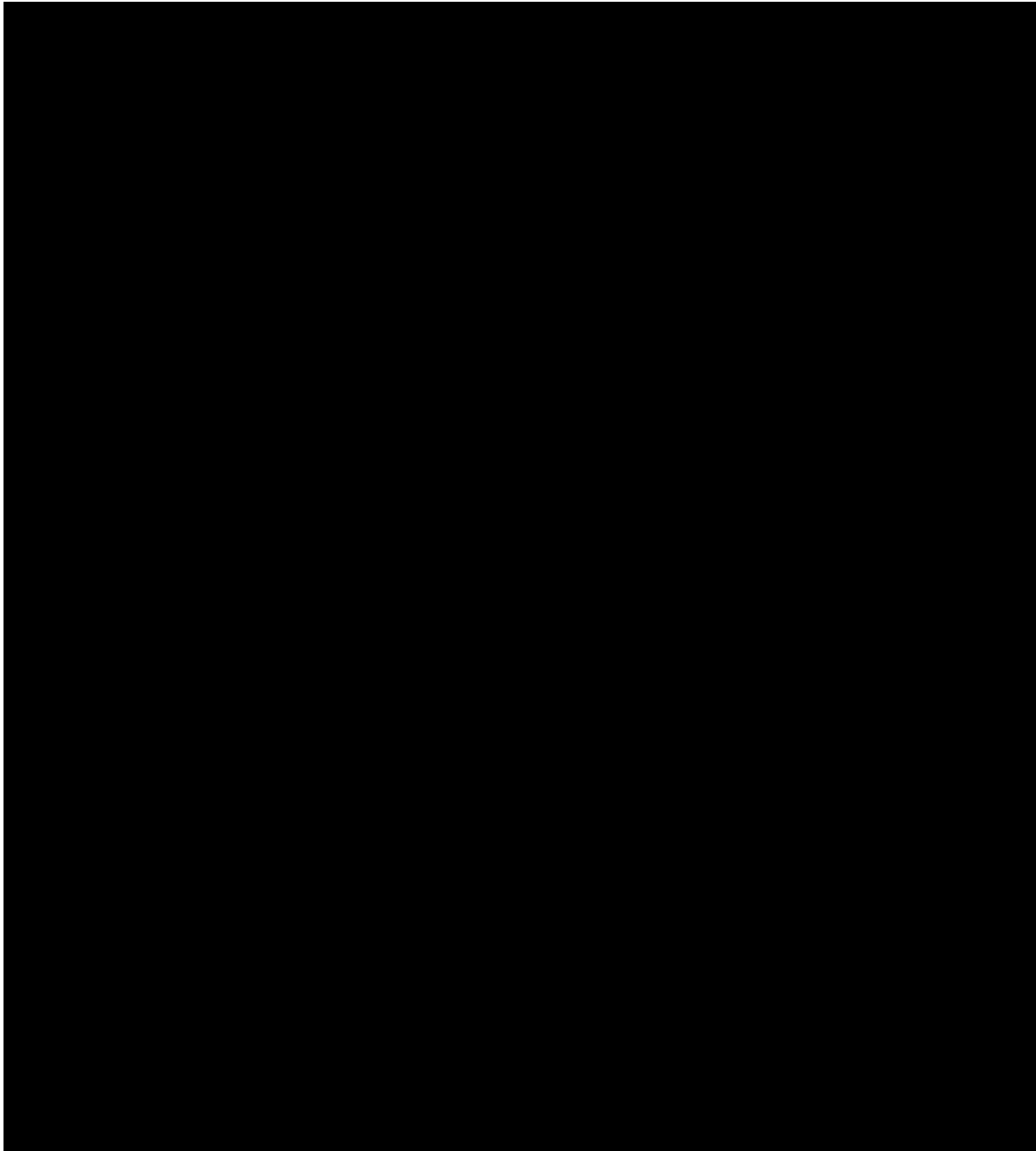
(None)

Tables



Financial Assurance

A surety bond will be secured and used to provide sufficient funding for any corrective action, injection well plugging, post injection site care & site closure, and emergency & remedial response. In compliance with SWO 29-N-6 **§609.C.4.c** [40 CFR **§146.85(a)(4)**], this instrument may not be terminated except due to failure to make payment and may not be final until 120 days after receipt.



Corrective Action Plan

[REDACTED] The AOR will be reevaluated every five years to determine if any new penetrations have occurred.

Injection Well Plug & Abandonment

Plug and abandonment (P&A) of Hackberry Carbon Sequestration Well No. 001 will meet the requirements of SWO 29-N-6 §631 [40 CFR §146.92]. The plug and abandonment of the injection well must be designed such that no movement of fluids will occur from the injection interval.

[REDACTED]

Post-Injection Site Care & Site Closure

The post injection site care and site closure plan will be designed to meet the requirements of SWO 29-N-6 §633 [40 CFR §146.93].

[REDACTED]

Post-Injection Monitoring

[REDACTED]

Site Closure

When the director has released the owner from all post-injection site duties, site closure will occur.

[REDACTED]

Emergency & Remedial Plan

The emergency and remedial plan is referenced in Section 8 and is designed to be in compliance with SWO 29-N-6 §623.A.1 [40 CFR §146.94].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Updates to Financial Assurance

During the active life of this project, HCS will adjust the cost estimate for inflation within 60 days prior to the anniversary date of the establishment of the surety bond and provide this adjustment to the Director. HCS will also provide written updates of adjustments to the cost estimate within 60 days of any amendments to the area of review and corrective action plan, the injection well plugging plan, the post-injection site care and site closure plan, and the emergency and remedial response plan. If the updated cost estimate increases to an amount greater than the face value of the surety bond in use, HCS will obtain an increase in the surety bond at an amount at least equal to the current cost estimate or obtain other financial responsibility instruments to cover the increase and supply evidence of such to the Director.